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FISCAL IMPACT STATEMENT

LS 7880

BILL NUMBER: SB 372

NOTE PREPARED: Jan 28, 2005

BILL AMENDED: Jan 27, 2005

SUBJECT: Transfer tuition.

FIRST AUTHOR: Sen. Kenley

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill specifies that if a transferor school corporation fails to take action within thirty (30) days after receipt of a transfer tuition request, the request is considered approved. It provides that a student who is placed in a facility, a home, or an institution may attend school in the school corporation in which the facility, home, or institution is located, and that the state is required to pay transfer tuition for the student if no other person or entity is required to pay the student's transfer tuition.

Effective Date: July 1, 2005.

Explanation of State Expenditures: (Revised) The impact would depend on the number of students that are currently placed in a public care facility, childcare facility, or foster family home and where there is no person or entity required to pay the student's transfer tuition. It is unknown how many additional students the state would be required to pay the transfer tuition. The expenses would be from funds appropriated for tuition support. If the bill caused the amount to be distributed for tuition support to exceed the appropriation then school's distributions of tuition support would be reduced on a per student basis.

Background: Transfer tuition is paid on the daily costs of the school programs that serve the transfer students. Transfer tuition is approximately the school's General Fund expenditures per ADM, but could vary within the school depending on the programs serving the student. Special education and vocational education programs have higher transfer tuition cost than elementary education programs.

For the 2003-2004 school year, General Fund expenditures per ADM ranged from a low of \$4,533 per student to \$11,228 per student. The average was \$5,841.

School corporations of legal settlement are required to pay transfer tuition if a student is placed in a state-licensed private or public health care facility, childcare facility, or foster family home by the Division of Family and Children, court order, or child-placing agency licensed by the Division of Family and Children. A school is also responsible for transfer tuition if the placement is recommended by a physician and is for more than 14 consecutive calendar days or an aggregate of 20 calendar days.

The state is responsible for transfer tuition for students placed in an institution operated by the Division of Family and Children or the Division of Mental Health and Addiction or in an institution, a public or private facility, a home, a group home, or an alternative family setting by the Division of Disability, Aging, and Rehabilitative Services or the Division of Mental Health and Addiction.

Explanation of State Revenues:

Explanation of Local Expenditures: If a student requests a transfer to another school corporation because the student can be better accommodated at the school, then the sending school has 30 days after receiving the request to act on the request. If the sending school fails to act on the request within 30 days, then it is approved. Under current law, the failure to act on the request is a denial of the request. The bill could increase the number of possible transfers. The bill could increase the administrative cost of school since some action would be required or else the transfer is approved. The increase costs would probably be minor.

Explanation of Local Revenues: See *Explanation of State Expenditures*.

State Agencies Affected: Department of Education.

Local Agencies Affected: Local Schools.

Information Sources: Budget Agency Appropriation and Allotments database and Department of Education Databases.

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